

City of Memphis

Diversity Developer Incubator 2010



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Diversity in Development Overview

The Diversity Developer Incubator is a combination of course study and real life document submission. The first portion of this program is dedicated to introducing participants to real estate development. The courses will entail various topics as they relate to developing a project. These classes will run over a period of three months primarily on Wednesday evenings and occasionally on Friday and Saturdays.

Participants will also interact with some of the more experienced minority and women developers from around the country. The more experienced minority and women developers will share their experiences and detail how they overcame various obstacles in order to accomplish their goals.

The final portion of the course will culminate in a class competition for a prized piece of City owned real estate. Based on all of the items discussed during the quarter, the participants will respond to an RFQ and an RFP designed by the City. A guest panel of judges will decide on the winning proposal and the piece of land will then be awarded to the winning participant for development.

City of Memphis
Diversity in Development

Brief Course Outline

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Real Estate Development 101

An introductory course designed to give aspiring and existing developers a basic understanding of the development process. Course will provide a cursory overview of the following areas: planning and feasibility, choosing and acquiring the property, design and the approval process, the bidding process, the construction and bonding process, marketing, and the sale.

Real Estate Development Deal Clinic

A comprehensive course that teaches how to test the financial feasibility of a proposed development project. Participants will learn how to use and be given a copy of “Quick and Dirty” Real Estate Feasibility Analysis software. Tax credits, bond deals, single family development, mixed use, mixed income scenarios

Real Estate Law

Covers law and legal instruments as applied to real estate and is designed to service the needs of property owners and those engaged in the real estate business.

Real Estate Appraisal

Basic terminology, principles, procedures, and issues; nature of value, principles of value, appraisal process, market approach, cost approach, capitalization of income approach, gross rent multiplier approach, and appraisal reports.

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Real Estate Finance

Economic, institutional, and legal issues associated with real estate finance; emphasis on investor and developer financing, and secondary mortgage market.

Real Estate Business Structure Analysis

Analytical tools, concepts, and decision rules for real estate asset acquisition and disposition; ownership forms, tax structuring, cash flow forecasting, risk analysis, and insurance.

Governmental Incentives and Regulations

Introduction and navigation through Office and Planning & Development (including Land Use Control Board and Industrial Development Board), Housing Community Development (Incentives, HARP, HDIP, and Code Enforcement, Center City Commission (opportunities, incentives, classes, and loans)

Design: The Architects and the Engineers

Introduction to the concepts of real estate development design which includes architectural and engineering design products.

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Construction 101: Construction Managers, General Contractors, and Subcontractors

Introduction to the construction phase of real estate development. Discussion of the differences between a construction manager and a general contractor, licensing, insurance and bonding requirements of contractors and subcontractors.

Sales and Marketing

The marketing and sales of the real estate development from inception of the marketing materials to hiring of the real estate sales team.

The 3C's of Business

The 3 Cs of Business. This course is a seminar on Collateral, Credit Worthiness, and Character which are items that lenders are looking for in order to lend money on a development deal. How to overcome a glitch in your 3 Cs will also be addressed during the class.

Speaker Series

Various developers from across the country address the class regarding their personal experiences pertaining to real estate development.

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The Mechanics of an RFQ and an RFP: <i>Issuance of the Class RFP</i>	Introduction and navigation through an RFP and an RFQ. The class will evaluate a real Request and a real Response. At this time the Class RFP will be issued and discussed for a selected piece of property.
Class Competition: <i>Proposal Presentations</i>	Course culminates with the presentation of proposals for a particular piece of City owned property. The Respondents will present their responses to the panel of judges and the class. The winner of the competition is awarded the property along with the appropriate qualified incentives to support the project.
Award of Property	The property will be awarded to the successful respondent.

City of Memphis

Incubator Benefits

At the conclusion of the Diversity Developer Incubator, the participant will have a thorough introduction to the components of a successful real estate development project. The participant will know how to navigate through governmental procedures and at the very least be familiar with knowledgeable contacts for various phases of a development. The course also lends itself to some powerful networking between the class facilitators and the participants.

In sum, the participant should walk away with a general knowledge base of real estate development and the processes associated with a development project. Below is a list of the classes offered to the participants:

- Real Estate Development 101
- Real Estate Development Deal Clinic
- Real Estate Law
- Real Estate Appraisal
- Real Estate Finance
- Real Estate Business Structure Analysis
- Governmental Incentives and Regulation
- Design: *The Architect and the Engineer*
- The Construction Process: *Construction Managers, General Contractors, and Subcontractors*
- The Mechanics of an RFQ and an RFP: *Issuance of the Class RFP*
- The 3 Cs of Business
- Speaker Series
- Sales and Marketing the Real Estate
- Class Competition: *Proposal Presentations*
- Class Graduation and Award of the Property

This course's curriculum should begin to familiarize the participant with the language, forms, processes, and expectations related to real estate development. As the first development incubator of its kind, the City of Memphis' program is poised to serve as the model for increasing the presence of minorities and women in real estate development. Throughout the process, the participant will network and get to know not only emerging developers but more established developers as well. The desired result of the program will be the emergence of a new class of eager emerging developers ready to actively participate in real estate development through further education and/or pursuing development projects in Memphis.

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Application Information

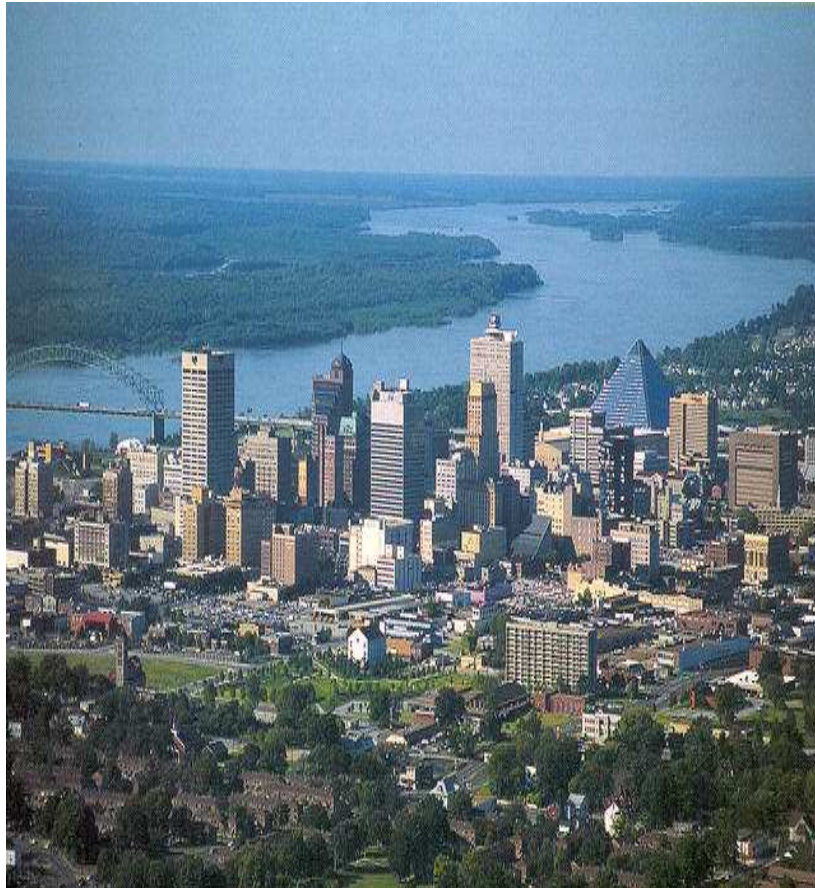
Initial participants in the Real Estate Diversity Development Certificate Program will be by invitation and advertisement. Through partnership with various agencies in the city, an initial list will be compiled of those individuals that have previously expressed interest in the various opportunities and incentives for real estate development. Immediately after this section is the participant application. There is also a curriculum fee of \$375 per participant which should be made out to the City of Memphis. Forms of payment accepted are cashiers checks and money orders. The sum of the fees will be used to offset the expenses of the course including books, supplies, and seminars etc.

The application may also be downloaded from the City of Memphis' website which is ddi.memphistn.gov

Applicable Deadlines	
Spring Application	March 15, 2010
Class Start Date	March 19, 2010

Classes will be held at various locations throughout the city. All correspondence and inquiries should be directed to the following:

City of Memphis
Office of Contract Compliance
125 N. Main Street, Suite 440
Memphis, Tennessee 38103
901.576.6520 office
901.576.6560 fax
ddi@memphistn.gov



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